



Personal Independence Payment: an introduction

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Personal Independence Payment (PIP) is to replace Disability Living Allowance for people of working age, between April 2013 and March 2016. The changes will affect existing working age DLA claimants, as well as those making a new claim. For those existing DLA claimants found not to satisfy the conditions for PIP on reassessment, their DLA will stop.

At first glance, PIP seems much like DLA – it is a non-means-tested, non-taxable benefit to help with the extra costs of disability. Like DLA, it has a mobility component payable at two rates, but instead of a care component it has a “daily living” component. Whereas the DLA care component has three rates, the PIP daily living component will have only two.

The Government’s intention is that PIP will focus support on those “who face the greatest challenges to living independently.” A key aim of the new benefit is to deliver savings of over £1 billion a year by 2014-15, rising to £1.5 billion a year by 2016-17. Other controversial aspects of the proposals include the new assessment and the intention to focus on those with the “greatest need”, the fact that fewer people will be exempt from assessment compared with DLA, the proposal for periodic reviews of entitlement for all claimants, and the proposal to take into account the use of aids and adaptations by disabled people. The Government has not yet announced its final plans for the PIP assessment – a second public consultation on the draft assessment criteria and thresholds ended on 30 April – but under its latest proposals for the PIP assessment, 500,000 fewer people would receive PIP by 2015-16 than would have got DLA under the existing rules.

The DWP’s responses to the public consultation on the draft assessment and to further consultations on the detailed benefit rules underpinning the new benefit are expected later this year. The draft regulations setting out the assessment criteria and the detailed rules for PIP are expected to be laid before Parliament following the Chancellor’s Autumn Statement on 5 December, with other regulations covering transitional arrangements and technical and consequential changes to follow later.

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1 PIP at a glance

Key features of Personal Independence Payment include:

- non-means-tested, non-taxable benefit payable whether in or out of work, to help with the extra costs arising from ill health or disability
- to replace Disability Living Allowance (DLA) for people of working age (16-64). People aged 65 or over on 8 April 2013 can continue to get DLA
- it will consist of two components – a mobility component, based on an individual's ability to get around; and a "daily living" component, based on their ability to carry out other key activities necessary to be able to participate in daily life
- each component will have two rates – "standard" or "enhanced" (amounts to be announced)
- no automatic entitlement for people with particular conditions (although the existing DLA rules for people with a terminal illness will be carried over to the new benefit)
- entitlement will be determined by a "new, fairer, objective assessment of individual need" to ensure support is "targeted on those individuals whose health condition or impairment has the greatest impact on their day-to-day lives"
- claimants must satisfy the daily living and/or mobility conditions for three months before they can receive benefit, and must be expected to satisfy the conditions for at least a further nine months
- advice from an "independent healthcare professional" is to be integral to the assessment process. In most cases, this will involve a face-to-face meeting with the claimant
- the assessment will take into account the extent to which the use of aids and adaptations (e.g. a wheelchair) affects a person's ability to participate in everyday life
- fewer will receive PIP than would have received DLA – how many not yet clear but savings of £1.5 billion a year by 2016-17 expected
- like DLA, PIP will act as a "passport" to other benefits and services including Carer's Allowance, the Blue Badge scheme and Motability (precise rules to be finalised)
- all PIP awards to be subject to periodic review
- phased introduction starting in April 2013. By Spring 2016 all existing DLA claimants to be reassessed for PIP will have been contacted by DWP
- existing DLA claimants do not need to take any action now

Further information including FAQs can be found at the [DWP website](#).

2 Background

Disability Living Allowance (DLA) was introduced in April 1992 by the merger and extension of two existing benefits: Mobility Allowance (MobA) and Attendance Allowance (AA). DLA has a mobility component and a care component. The mobility component – for help with walking difficulties – is paid at two different levels. The care component – for help with personal care needs – is paid at three levels. Although DLA can be paid indefinitely, there is an upper age limit for the first claim. Claims must be made before a person's 65th birthday; otherwise, Attendance Allowance may be claimed instead. AA has no mobility component, but the disability tests are the same as for the middle and higher rate care components of DLA.

The June 2010 Budget announced that a new “objective medical assessment” would be introduced for both new and existing working age DLA claims from 2013-14, saving over £1 billion a year by 2014-15 and reducing the DLA caseload by 20%. In December 2010 the Government published a consultation paper, *Disability Living Allowance reform*, which set out plans for an entirely new benefit – Personal Independence Payment – to replace DLA for people of working age, starting from 2013-14. Responses would “inform secondary legislation on the detailed design of the benefit, including requirements for the new assessment.”

The consultation paper stated that reform of Disability Living Allowance was needed for four reasons:¹

- “The benefit caseload and expenditure is increasing at a rate never envisaged”
- “The current system is too complex and the benefit is not understood”
- “There is no system to check that awards remain correct”
- “The benefit can act as a barrier to work”

While certain aspects of the proposals were welcomed by disability groups, some of the Government's claims were contested and there was widespread concern about the possible impact of the proposed changes on disabled people, following spending cuts already announced. Targeting support on those with the greatest needs could, it was suggested, affect large numbers of disabled people and put additional strain on NHS and social services budgets. There was also concern that an assessment focusing on the functional impact of disability might not reflect accurately the additional costs faced by disabled people.

More detailed information on the Government's proposals and on reactions from disability and welfare rights organisations is given in a Library standard note SN/SP/5869, *Disability Living Allowance reform*.

Provisions to establish the framework for the Personal Independence Payment were included in Part 4 of the *Welfare Reform Bill 2010-12*, in line with the proposals in the consultation paper on *Disability Living Allowance reform*. The detailed rules for the new benefit will be set out in regulations made under the *Welfare Reform Act 2012*.

¹ Ibid. pp7-10

Information on the PIP provisions in the Bill as introduced in the House of Commons can be found in Library Research Paper 11/23, [Welfare Reform Bill: reform of disability benefits, Housing Benefit, and other measures](#).

2.1 Welfare Reform Bill

During the parliamentary stages of the *Welfare Reform Bill* the Government announced a number of concessions relating to Personal Independence Payment including:

- That it would not go ahead with the controversial proposal to remove the mobility component from people in care homes; and
- A shorter “qualifying period” for the benefit than was originally proposed.

At the Lords Report Stage on 17 November 2011, the Minister Welfare Reform, Lord Freud, announced a series of further concessions to address concerns about the pace of the PIP reforms and their potential impact on disabled people. These included:²

- The Government would continue to work with disabled people and their representatives to develop a number of “operational processes” through its “implementation development group”; and it intended to retain its services beyond April 2013 to help evaluate delivery arrangements.
- Operational processes would be tested in a “model office environment” to see how arrangements worked, without affecting individuals’ actual benefit entitlements.
- Contracts for suppliers of PIP assessments would make it clear that they would be expected to work with disability organisations – before, during and post-implementation – on the design of their processes, to improve the “customer experience”.
- New claims for PIP would be limited to a “few thousand per month” for the first few months of implementation, to allow trialling of all the processes in a “truly live environment”.
- Reassessment of existing DLA claims would not begin until the autumn of 2013; the process would again be staggered, beginning with those with a fixed term DLA award requiring renewal and claimants reporting a change in circumstances.
- There would be a “pathfinder trial” lasting three months, reassessing a small number of DLA claimants not due for reassessment, to ensure processes worked satisfactorily before full-scale, national reassessment began.
- The Government would legislate for two biennial independent reviews within the first four years of the implementation of PIP; the first would report within two years of the assessment regulations coming into force, with the second within four years of that date.
- A “firm undertaking” that a third review would be commissioned “if the second review demonstrates ongoing issues with the operation of the assessment which need to be addressed in this manner.”

² HL Deb 17 January 2012 cc526-527

Lord Freud announced the concessions during the course of a debate on an amendment moved by the Crossbench Member Baroness Grey-Thompson to require an independent report on the PIP assessment, and trialling of the assessment, before implementation of the PIP. The amendment was put to the vote, and was rejected by 229 votes to 213.³

Government amendments making provision for the biennial reviews were agreed at the end of the proceedings on 17 January.⁴

Further information on debates relating to PIP during the parliamentary stages of the *Welfare Reform Bill* can be found in the following Library briefings:

Research Paper 11/48, [Welfare Reform Bill: Committee Stage Report](#)

Standard Note SN06034, [Welfare Reform Bill 2010-12: Commons Report Stage and Third Reading](#)

Standard Note SN06202, [Welfare Reform Bill 2010-12: amendments at the Lords Committee and Report stages](#)

During the passage of the Bill the DWP also published a series of [Personal Independence Payment Briefing Notes](#) setting out key elements of policy and strategy relating to PIP. They covered eight topics:

High level reassessment strategy (14 March 2012)

Delivery – the operational approach (9 May 2011)

Managing claims to Personal Independence Payment (14 November 2011)

Required period condition (9 May 2011)

Award durations and exceptions to fixed-term awards (9 May 2011)

Young people (updated 21 November 2011)

People aged over 65 (9 May 2011)

Passporting from Personal Independence Payment (updated 16 December 2011)

The briefing notes can be found at the [DWP website](#).

3 The Hardest Hit coalition report

Groups representing disabled people have reported that the Government's plans for Personal Independence Payment are causing considerable anxiety for disabled people, coming on top of other changes announced in the June 2010 budget and October 2010 Spending Review.

On 22 October 2012 the Hardest Hit coalition – a group comprising of over 90 disabled people's organisations and charities – published the report, [The Tipping Point](#), which presented findings from a survey of over 4,500 disabled people, a poll of more than 350

³ HL Deb 17 January 2012 cc518-532

⁴ HL Deb 17 January 2012 cc568-570

independent welfare advisors, and more than 50 in-depth interviews with disabled people with varying conditions and impairments.

While noting that it is difficult to make a clear assessment of the likely impact of PIP, given the fact that key details of the new benefit have still not been finalised, the report suggests that the net savings from PIP could be substantially less than the Government claims, for two reasons:

- The loss of revenue from income tax if some disabled people are no longer able to work following the loss of DLA; and
- The knock-on effect for social services budgets if people losing DLA need to rely more on their local authority for social care support.

The report criticises the Government for its “failure to do its own modelling of these impacts”. It adds:

A proper cumulative impact assessment would at least consider the risks of such knock-on costs. To date no such cumulative impact assessment has been carried out so we would urge the Government to consider the direct and indirect impacts of reducing the numbers receiving DLA/PIP by 500,000 and ensure the assessment for PIP is as fair as possible.

A fair assessment would take proper account of the full range of barriers faced by people with disabilities and health conditions, including those with multiple impairments, and those whose needs fluctuate or are unpredictable.⁵

The report also makes a number of specific recommendations for “getting PIP right”:

Disability Living Allowance provides vital support to millions of disabled people. Disabled people are extremely concerned that Personal Independence Payment (PIP) is designed simply to make dramatic cuts to the DLA budget. But it could be a vehicle for empowering disabled people to overcome the barriers they face on a daily basis, supporting their involvement in their communities and in employment. It could have a preventative function, acting as the ultimate personal budget, so disabled people with relatively less severe care and mobility needs can use the little income available to meet their needs flexibly. And the assessment process, got right, could offer the opportunity to signpost people to a range of other areas of support available, and even tackle the wider barriers that disabled people face.

All of this will only be possible if the assessment process is as fair as possible. **The regulations governing entitlement criteria for PIP can still be changed.** Key asks include:

- **Fair assessment criteria that take proper account of the full range of barriers faced by people with disabilities** and health conditions, including those with multiple impairments, and those whose needs fluctuate or are unpredictable.
- **The Department for Work and Pensions committing to carrying out a full, public consultation on the guidance** that assessors will need to follow.
- **An assessment and reassessment process that is simple, transparent and proportionate**, rather than wasting precious resources on unnecessary face-to-face assessments where sufficient evidence is already available.

⁵ Ibid. p41

- **Ensuring that people with long-term conditions and impairments that are unlikely to change (or only likely to degenerate) over time are not reassessed unnecessarily or too frequently.**
- **Robust evaluation and monitoring processes for checking the assessment is fit for purpose** and applying proper sanctions on assessment providers when they do not perform.⁶

4 Basic features of the new benefit

To claim Personal Independence Payment, a person will have to satisfy certain basic conditions. He or she must:

- be aged 16 or over but under 65;
- not be a “person subject to immigration control”;
- satisfy residence and presence tests; and
- satisfy the disability conditions for the daily living component, and/or those for the mobility component.

Details of the proposed residence and presence tests are given in the DWP consultation paper published on 26 March 2012, *DLA reform and Personal Independence Payment – completing the detailed design*. The Government proposes that claimants will need to satisfy a “habitual residence” test.

Both the daily living and the mobility components will be payable at two rates – “standard” and “enhanced”. The standard rate will be payable if, following assessment (see part 6 below), the person is judged to have a limited ability to carry out daily living or mobility activities. The enhanced rate will be payable if they are assessed as having a *severely* limited ability to carry out daily living/mobility activities. A person may receive a daily living and a mobility component, if they satisfy the conditions for both.

The rates for the PIP components have not yet been announced. It is expected that the benefit rates for PIP will be announced in autumn 2012 as part of the annual announcement on benefits uprating.⁷

4.1 Children and older people

PIP is to replace DLA for people of working age – ie those aged 16-64. Disabled children and young people under 16 will for the meantime continue to receive DLA – the Government has said that it wants to see how the new benefit works for people of working age before making any decisions about children and young people. *Personal Independence Payment – Frequently asked questions* (October 2012) at the DWP website includes the following (original emphasis):

⁶ Ibid. pp42-43; original emphasis

⁷ DWP website, *An introduction to Personal Independence Payment for support organisations and advisers – presentation*, August 2012

12. My child is under 16 years old and gets DLA, will they be affected by the introduction of Personal Independence Payment?

- At the moment there are no plans to replace DLA for those under the age of 16.
- We want to see how the new benefit works for people of eligible age (see the answer to question 1) before making any decisions about children.
- If your child is under age 16 you can continue to make a claim to DLA as usual.
- Children getting DLA may remain on this benefit until they reach age 16 provided that they continue to satisfy the eligibility criteria. They will then need to claim for Personal Independence Payment.
- All children entitled to DLA approaching age 16 will be asked if they want to claim Personal Independence Payment from their 16th birthday.
- We are developing specific plans to take claims to Personal Independence Payment from young people from age 16 as smooth and straightforward as possible.
- We are continuing to talk to young disabled people, their families and organisations representing them about the best ways of doing this.
- Our current thinking about how we support young people during the introduction of Personal Independence Payment can be found in a briefing note at: <http://www.dwp.gov.uk/docs/pip-briefing-youngpeople.pdf>
- If your child is awarded Personal Independence Payment we will ensure that there are no gaps between benefit payments.

The DWP's consultation paper published on 26 March 2012, *DLA reform and Personal Independence Payment – completing the detailed design*, set out further details of the Government's proposed approach to ensure transition to PIP at age 16 works smoothly (see paras 3.14-3.19).

DWP has said that every adult aged 64 or under in receipt of Disability Living Allowance when the PIP is introduced on 8 April 2013 will be subject to reassessment. *Personal Independence Payment – Frequently asked questions* (October 2012) states:

13. I am a pensioner and get DLA, will these changes affect me?

Only DLA claimants who are over the age of 16 and under the age of 65 on the 8 April 2013, or who reach the age of 16 after October 2013 will be asked to claim the new benefit.

If you are aged 65 or over on 8 April 2013 you will not be able to claim Personal Independence Payment and will continue to receive DLA for as long as you meet the entitlement conditions.

Because we will not begin to ask eligible DLA claimants whether they want to claim Personal Independence Payment until after Personal Independence Payment is introduced for new claims in April 2013, a number will be over 65 when we contact them.

We want to see how the assessment for the new benefit works for people of eligible age (see the answer to question 1) before deciding if Personal Independence Payment should be extended to people over 65.

Older people in receipt of Attendance Allowance will not be affected by the introduction of PIP, and Attendance Allowance will continue to be available to new claimants on the basis of the current rules, for the time being at least. However, in [DLA reform and Personal Independence Payment – completing the detailed design](#), the Government set out proposals to change certain rules governing DLA, Attendance Allowance and Carer's Allowance so that they align with the approach set out for PIP.

Looking further ahead, the Government has said that it wants to see how the assessment for the new benefit works for people of working age before deciding if changes should be made to the assessment for people over 65 and getting DLA or Attendance Allowance. In a response to a PQ in June 2011 on whether the Government had any plans to reform Attendance Allowance, the then Minister for Disabled People, Maria Miller, said:

There are currently no plans to reform attendance allowance. Once personal independence payment has replaced disability living allowance for the working age case load, we will consider carefully any potential impacts of this for attendance allowance.⁸

The upper age limit for new claims for PIP will be 65, initially. However, this will increase as the State Pension age increases beyond 65.⁹ As with DLA, people who qualified for PIP before they reached the upper age limit will be able to continue to receive it, provided they continue to satisfy the other conditions. For further information, see paras 4.2-4.7 of [DLA reform and Personal Independence Payment – completing the detailed design](#).

4.2 Qualifying periods

Claimants must normally satisfy the daily living and/or mobility conditions for three months before they can receive Personal Independence Payment (the “qualifying period”), and must be expected to satisfy the conditions for at least a further nine months (the “prospective test”). This is known as the “required period condition.”¹⁰

Exceptions will be made for claimants who are terminally ill and who are not expected to live for more than six months, who will be “fast tracked” on to a guaranteed payment of the enhanced rate of the DLA daily living component of Personal Independence Payment without having to satisfy the qualifying period or the prospective test. They can also apply for the mobility component and receive it immediately, if they qualify for it. Similar “special rules” currently apply to DLA.

DWP states that claims for PIP under the special rules will be processed quickly and that persons will not need a face to face consultation.¹¹

⁸ HC Deb 16 June 2011 c929w

⁹ HC Deb 6 September 2011 c470w

¹⁰ For the rationale behind qualifying periods, see pp48-49 of [Library Research Paper 11/48](#). See also section 6.2 of [Library standard note SN06202](#) on changes to the original plans during the passage of the *Welfare Reform Bill*.

¹¹ [Personal Independence Payment – Frequently asked questions](#), October 2012

4.3 Passported benefits

At present, receipt of DLA or certain DLA components acts as a “passport” to additional benefits and schemes. Examples include Motability, Blue Badges, and Carer’s Allowance. The exact rules for PIP are yet to be confirmed but DWP has said that it intends to maintain existing passporting arrangements, wherever possible.

Some passported benefits are the responsibility of DWP and their position following the introduction of PIP has been confirmed. The Department has said that Carer’s Allowance will be payable if the person being cared for is in receipt of either the standard or enhanced rate of the daily living component. For the disability premiums currently payable with means-tested benefits, the Government’s proposals regarding passporting from PIP (until such time as Universal Credit is fully introduced) are set out paras 7.7-7.14 of *DLA reform and Personal Independence Payment – completing the detailed design*.

Other passported benefits are however the responsibility of other Government departments, the devolved administrations, local authorities or non-governmental bodies.

The following FAQ from the DWP website concerns Motability, but gives a general overview of wider developments and discussions currently underway:

16. I currently have a Blue Badge because of my DLA. Will Personal Independence Payment provide the same “gateway” or “passport” to the additional help and support that DLA attracts?

- We recognise you value the additional help that passported benefits, such as the Blue Badge, Carer’s Allowance, Motability schemes and public transport concessions provide.
- It is our intention that the existing passporting arrangements will be maintained wherever possible.
- We are working with the Scottish Parliament, the National Assembly for Wales and other Government Departments that currently use DLA as a passport to schemes they provide to ensure that any future passporting arrangements remain appropriate for their own schemes.
- Our intention is that individuals will receive an award letter, as now, which would continue to act as confirmation that they are in receipt of particular component(s) of Personal Independence Payment at a particular rate. We will continue to work with colleagues across Government to look at further opportunities to make this process simpler.
- The Department for Transport has recently consulted on the Government’s changes to welfare reform and the effect they will have on eligibility for a Disabled Person’s Parking Permit, or Blue Badge. This was published on 9 July 2012 and closed on 2 October 2012. The consultation document can be found at:

<http://www.dft.gov.uk/consultations/dft-2012-30/>

- The Scottish Government has consulted on using PIP as a passport to other benefits and schemes, including Blue Badge and concessionary travel. The consultation closed on 28 September 2012. To view the consultation document, click on the link below:

<http://www.scotland.gov.uk/Publications/2010/07/12102032/0>

- The Welsh Government has also consulting on the planned changes to eligibility of the Blue Badge in Wales. The consultation commenced on 7 August 2012 and is due to end on 30 October 2012. To view this consultation, click on the link below:

<http://wales.gov.uk/consultations/transport/bbadgecriteria/?lang=en>

- We will publish further information about passporting arrangements once it has been decided how this will work.

Further information can be found in paras 7.15-7.26 of [DLA reform and Personal Independence Payment – completing the detailed design](#).

5 Seriously injured Armed Forces personnel and veterans

On 19 July *The Guardian* reported that agreement had been reached within Government that “severely injured troops” – such as “troops with serious mental illness, those who had lost both legs or arms, and those with total deafness or blindness” – who had already been assessed by the Ministry of Defence for compensation awards would not be required to undergo a further assessment for PIP and would be also be given a “guaranteed disability payment worth around £131 a week.”¹² This followed reports in *The Sun* in May.¹³ The DWP consultation paper published in March 2012, [DLA reform and Personal Independence Payment – completing the detailed design](#), had said that DWP had taken account of the “Military Covenant” and was working with the Ministry of Defence “to explore how we ensure that those injured as a result of service are able to access the right support and are able to live full, active and independent lives.” This would include consideration of “how veterans who are injured during active service should be assessed.”¹⁴

Full details of what is envisaged are not yet available, but some further information was given in a Ministry of Defence [press release on 19 July](#):

Disability benefits for injured Service personnel simplified

The Ministry of Defence and Department for Work and Pensions have announced a simplification and streamlining of the financial support system for members of the Armed Forces who have been seriously injured.

Rather than face separate assessments, personnel who have been seriously injured as a result of military service will receive ongoing payments to help with the additional costs associated with their injuries.

This is the latest measure to be announced following the Government's commitment, given last year, to upholding the Armed Forces Covenant, and the measure is consistent with the principles of the Covenant.

Defence Secretary Philip Hammond said:

"I am delighted that, in addition to tax-free payments from the MOD's Armed Forces Compensation Scheme, seriously injured serving personnel and

¹² [Severely injured troops exempted from extra disability tests under new benefits: Cameron limits MoD medical assessments, ensuring soldiers absolved from second test under new welfare scheme PIP](#), *The Guardian*, 19 July 2012

¹³ See Disability Rights UK website, [PIP concession for armed forces](#), 18 May 2012

¹⁴ Para 5.4

veterans will also be able to avoid the unnecessary duplication of reassessments and receive disability benefits via these new arrangements.

"These brave individuals have served their country with honour and it is only right and proper that they receive financial support to help them with injuries caused by their service."

Recognising the considerable sacrifice made by a number of courageous members of the Armed Forces who have been injured as a result of their service, the Government has decided to put in place special arrangements for these personnel to help them cover the ongoing costs of their injuries.

Rather than face separate assessments these individuals will automatically be entitled to payments to help with the additional costs associated with their injuries. Eligibility for these payments will be linked to their Armed Forces Compensation Scheme (AFCS) awards and the payments will provide financial reassurance for the future.

Those currently in receipt of an AFCS award for serious injury and Disability Living Allowance will also benefit from the arrangements.

6 The PIP assessment

The first draft of the proposed assessment criteria for PIP was published in May 2011 and an informal consultation ran until August 2011. This was followed by a second draft in November 2011, and in January 2012 a final consultation began on the PIP assessment criteria, descriptor weightings and entitlement thresholds.

The consultation papers on the proposed PIP assessment can be found at the [DWP website](#). The final public consultation ran until 30 April 2012. The DWP has said it will publish its response some time in autumn 2012, with regulations laid before Parliament thereafter. The final draft regulations on the PIP assessment are expected to be laid before Parliament following the Chancellor's Autumn Statement, which will be on 5 December.

The Government is not planning any further consultations on the assessment prior to the regulations being laid before Parliament. In a Lords written answer on 28 June the DWP Minister Lord Freud said:

...we are not intending to have a formal period of pre-legislative scrutiny on the assessment regulations, which have already been subject to extensive consultation and co-production with disabled people and disability organisations. The regulations will be made available to the Joint Committee on Statutory Instruments for its scrutiny and will be laid under an affirmative resolution, providing both Houses with the opportunity to debate and approve them before they can be made.¹⁵

The Government has said that the assessment is designed to provide "a more holistic assessment of the impact of a health condition on an individual's ability to participate in everyday life." It is intended to cover sensory impairments, developmental needs, cognitive impairments and mental conditions, as well as physical disabilities.

To determine whether a person is eligible for a particular component of PIP, and at what rate, the assessment will look at their ability to undertake certain activities. The [latest version of the draft regulations](#) issued for consultation lists 11 different activities:

¹⁵ HL Deb 28 June 2012 c83WA

Daily Living component

- 1: Preparing food and drink
- 2: Taking nutrition
- 3: Managing therapy or monitoring a health condition
- 4: Bathing and grooming
- 5: Managing toilet needs or incontinence
- 6: Dressing and undressing
- 7: Communicating
- 8: Engaging socially
- 9: Making financial decisions

Mobility component

- 10: Planning and following a journey
- 11: Moving around

For each activity, there are a number of “descriptors”, each with an associated points score. If several descriptors within an activity could apply, the appropriate choice would be the one which applied for the greatest proportion of the time. As an example, the descriptors for Activity 10 (“Planning and following a journey”) in the latest version of the draft regulations, and the Government’s proposals at this stage for the associated scores, are given below:

<i>Activity</i>	<i>Descriptors</i>	<i>Points</i>
1. Planning and following a journey.	a. Can plan and follow a journey unaided.	0
	b. Needs prompting for all journeys to avoid overwhelming psychological distress to the claimant.	4
	c. Needs either – (i) supervision, prompting or a support dog to follow a journey to an unfamiliar destination; or (ii) a journey to an unfamiliar destination to have been entirely planned by another person.	8
	d. Cannot follow any journey because it would cause overwhelming psychological distress to the claimant.	10
	e. Needs either – (i) supervision, prompting or a support dog to follow a journey to a familiar destination; or (ii) a journey to a familiar destination to have been planned entirely by another person.	15

In the assessment, the relevant scores across all the activities are added up. For either PIP component, a score of 8 points would lead to an award at the “standard” rate; 12 points would result in the “enhanced” rate.

The proposed points thresholds for the “standard” and “enhanced” rates of the two components were not announced until 16 January 2012, and it is still not clear how many people who currently qualify for different DLA components or combinations of components would qualify for the corresponding PIP components. The DWP consultation paper published in January 2012 included 15 “claimant case studies” showing how people in different illustrative circumstances would fare under the proposed assessment criteria, but it did not indicate how each individual would have fared under the DLA rules.¹⁶

In its report on the Government’s plans for PIP published in February 2012, the Work and Pensions Committee recommended that the Government set out further case studies to show how the introduction of PIP was likely to affect recipients of each rate combination of DLA.¹⁷ In its response published in May, the Government said that while it would be possible to produce additional case studies for each DLA combination, it did not feel it would be helpful. It added:

While case studies do provide a useful illustration of how the assessment criteria will work in practice, they cannot be representative of how particular groups of individuals will fare under Personal Independence Payment. This is because the assessment will

¹⁶ *Personal Independence Payment: assessment thresholds and consultation*, Annex A

¹⁷ *Government support towards the additional living costs of working-age disabled people*, HC 1493 2010-12, para 95

look at individual circumstances and all disabled people are different. To show the likely effect of Personal Independence Payment on the current recipients of any particular DLA rate combination would require very significant volumes of case studies to be produced and would provide an inaccurate illustration of how the introduction of Personal Independence Payment is likely to affect current working-age recipients of DLA.¹⁸

Most claimants will have to attend a face to face assessment with an “independent healthcare professional” (HCP), but the final decision on entitlement will be taken by a DWP “Decision Maker” (DM), on basis of all the available evidence. The length of awards (ie the period before reassessment is due) will depend on individual circumstances and the likelihood of this changing. The Decision Maker will determine the length of the award, following advice from the HCP.

Disability organisations have voiced a number of concerns about the proposed assessment. In particular, the use of “activities” and “descriptors” is similar to the controversial “Work Capability Assessment (WCA)” for Employment and Support Allowance, and some groups are worried that there could be a repeat of the problems that have dogged the WCA.¹⁹ For example, there are concerns that those applying the assessment could adopt a “tick box” approach, and that accounting for fluctuating conditions might be problematic. The DWP states however that the assessment criteria will be objective and will take into account whether people can undertake activities reliably, repeatedly, safely and in a timely manner.²⁰

There are also concerns about the fact that some groups who currently qualify for DLA components automatically (eg people with severe visual impairment, who qualify for the higher rate mobility component) will not qualify for PIP automatically and will have to undergo the full assessment – and regular reassessments.

As to who will be winners and losers from the introduction of PIP, as noted above it is difficult to give any clear assessment, but the Government estimates that, on the basis of the latest draft assessment criteria, 1.7 million people would be in receipt of PIP by 2015/16 – 500,000 fewer than would have been the case under the existing DLA rules.

6.1 Face to face assessments

Most – but not all – PIP claimants will be required to attend a face to face consultation with an independent “Healthcare Professional” (HCP). The DWP has said that the process should be viewed as a “conversation” between the claimant and the assessor, but disability organisations still have concerns. A DWP briefing for benefits advisers outlines what is envisaged:

There will be an independent assessment

Health professionals are people like GPs, nurses or paramedics. They will be fully qualified and claimants will be assessed by a health professional that has the right knowledge and skills for that claimant’s health condition or disability.

¹⁸ [Government support towards the additional living costs of working-age disabled people: Government Response to the Committee's Seventh Report of Session 2010-12](#), HC 105 2012-13, p10

¹⁹ See Library standard note SN05850, [The Work Capability Assessment for Employment and Support Allowance](#)

²⁰ DWP website, [An introduction to Personal Independence Payment for support organisations and advisers – presentation](#), August 2012

Each person applying for PIP will be assessed individually, looking at their personal circumstances and the barriers they face. This is because people's health conditions or disabilities can affect them in very different ways and some individuals have more than one health condition or disability.

The assessment for PIP is designed to help DWP decide a person's individual needs and benefit entitlement.

Everyone will be individually assessed against the new entitlement criteria (some people understand these as rules).

The assessment for Personal Independence Payment will make greater use of evidence.

Not all assessments will involve a face to face consultation. People with the most severe health conditions or disabilities, or those who are terminally ill, are unlikely to need to attend a face to face consultation. This will be decided on a case by case basis.

Face to face consultations will involve health professionals who will consider an individual's personal circumstances to understand how their condition or disabilities affect them. Claimants are encouraged to take someone along to the consultation for support – they can take an active part in the discussion.

The assessor will consider the evidence provided by the claimant and any professional that may support them on a regular basis.

The assessor will not make a decision on entitlement to PIP– they will provide advice to a benefit decision maker at DWP who will then use all of this information to decide entitlement to PIP.²¹

DWP also points out that the second part of the PIP claim form – which will ask about the person's condition and how it affects their daily life – will also leave space for the claimant to give any other information they want to include. It also adds:

Any evidence from professionals who support a claimant, for example a GP, can be sent with this claim form. DWP are actively encouraging people to send supporting evidence in when it is readily available.²²

6.2 Awarding of contracts

Face to face assessments for PIP are not part of the existing DWP Medical Services contract (which is held by Atos Healthcare) but will instead be delivered by organisations under separate regional contracts. The total value of the PIP assessment contracts was estimated at between £300 and £500 million over seven years.²³

Ten organisations were appointed to the DWP's "Health and Disability Assessment Services Framework" and were eligible to bid for the contract to deliver PIP assessments. Six eventually bid for the PIP contract: APM Ltd, Atos, Avanta Enterprises Ltd, Capita Group plc, G4S Integrated Services (UK) Ltd and Vertex Ltd.

²¹ DWP website, [An introduction to Personal Independence Payment for support organisations and advisers – presentation](#), August 2012

²² Ibid.

²³ Work and Pensions Committee, [Government support towards the additional living costs of working-age disabled people](#), HC 1493 2010-12, para 155

On 2 August the DWP announced that Atos Healthcare had been chosen as the “preferred bidder” for two of the four “lots”. Capita Business Services Ltd was named as preferred bidder for the third lot, while a decision had not been made on the preferred bidder for the fourth (covering Northern Ireland).²⁴

The Secretary of State for Work and Pensions confirmed the choice of preferred bidders in a Written Ministerial Statement on 5 September:

On 2 August 2012 we announced details of the organisations that have been successful in the competition to provide the new independent assessment services for PIP.

This announcement concluded a commercial process that began earlier this year. On 30 April the Department for Work and Pensions (DWP) announced the 10 organisations which had been awarded a place on the framework to deliver health and disability assessments. This framework is made up of four regional lots plus a national lot, Lot 5.

On 2 May the DWP invited the organisations in Lots 1 to 4 to tender to deliver the PIP assessment service on behalf of DWP and the Northern Ireland Social Security Agency. The competition selected the following bidders for each of the three regional lots:

Lot 1 (Scotland, north-east and north-west England)—Atos IT Services UK Ltd

Lot 2 (Wales and central England)—Capita Business Services Ltd

Lot 3 (London and southern England)—Atos IT Services UK Ltd

The recommended supplier for Lot 4 is still to be confirmed through the Northern Ireland Social Security Agency approvals process and will be announced in due course.²⁵

In a written answer on 12 September, the new Minister for Disabled People, Esther McVey, said that the Government had built “robust expectations of performance” into the PIP contracts, redacted copies of which would be placed in the House of Commons Library:

We have built robust expectations of performance into the contracts with Atos Origin and Capita Group plc; these include a range of remedies which allow the Department to take action on minor, as well as more significant, poor performance.

In addition, within two years of go-live, an independent review will be carried out, along the lines of Professor Harrington's reviews of the work capability assessment. Redacted copies of the Atos Origin and Capita Group plc tender documents were published on Contracts Finder for the three Great Britain lots on 21 August. Copies of these will be placed in the Library.

The contracts awarded for the delivery of the personal independence payment (PIP) do not include any targets to reduce the number of people who receive PIP or the amount paid out through PIP. The only targets are based on the quality of assessments carried out. Assessment providers will not be paid according to the outcome of claimants' assessments or decisions on benefit entitlement. They will be paid for the production of fair and impartial assessments along with written and verbal medical advice,

²⁴ [Award of contracts to deliver Personal Independence Payment assessment services](#), DWP website, 2 August

²⁵ HC Deb 5 September 2012 c26WMS

investment in new technology and other service improvements with associated fixed overheads and administrative costs.²⁶

Tender documents for the delivery of the PIP assessments were also deposited in the Library on 12 September – see [DEP2012-1399](#). Documentation relating to the PIP contracts can also be found at the [Contracts Finder website](#).

In October 2012 a number of disability organisations expressed concern when it emerged that they had, without their knowledge, been cited as “partner organisations” by Atos Healthcare in documents submitted as part of the PIP assessment tendering process.²⁷

It also emerged in October that Atos Healthcare had entered into an agreement with Salus – the occupational health arm of NHS Lanarkshire – for the latter to undertake PIP assessments in Scotland. A spokesman for Atos said:

This is a new approach, working in partnership working with NHS Lanarkshire. It means that PIP consultations will take place where people feel most comfortable – in the heart of their local community – and they will be conducted by health practitioners that have first class expertise in dealing with the needs of disabled people.²⁸

According to *The Guardian*, Anne McGuire, the Shadow Minister for Disabled, said in response to the announcement:

There are questions to be asked about the effectiveness of using a private sector intermediary between a public sector organisation and a public sector organisation. It is at least unusual. It begs the question, why DWP didn't contract direct to Salus?²⁹

On 10 July 2012 the Disability Benefits Consortium (DBC) called on potential PIP assessment providers to sign up to a set of “pledges” to “help deliver a process that is as fair as possible.” A DBC [press release](#) gives details:

DBC calls on assessment providers to sign up to PIP pledges

As the Government is this week awarding contracts to the private sector for reassessing disabled people for help with essential higher costs of living, the DBC has called for the potential assessment providers to sign up to [a set of pledges](#) to help deliver a process that is as fair as possible.

The Department for Work and Pensions has appointed companies to run a new assessment process to determine eligibility for the new ‘[Personal Independence Payment](#)’ (PIP). PIP is being introduced as the Government abolishes Disability Living Allowance (DLA) which was introduced from 1992 to help disabled people with essential higher living costs. The change affects working age disabled people (16-64 years of age) from April 2013.

²⁶ HC Deb 12 September 2012 c237-238w

²⁷ See for example “[Investigate ‘misleading’ Atos bid for disability tests contract, urges Labour: Four organisations named in tendering document say they object to suggestion they planned to co-operate with firm](#)”, *The Guardian*, 1 November 2012; see also “[Atos misled the government in securing its disability assessment contract: We at Disability Cornwall were horrified to hear that Atos used our name on their tendering documents. We were never asked](#),” *The Guardian*, 3 November 2012

²⁸ Atos Healthcare press release, [Atos Healthcare appoints local Scottish Healthcare provider – NHS Lanarkshire](#), 9 October 2012

²⁹ “[Atos calls in public sector to take on outsourced medical assessments: Company charged with carrying out ‘benefit tests’ gives £22m contract to Lanarkshire NHS as MPs query value of deal](#)”, 10 October 2012

The new assessment process is a major concern for thousands of disabled people and will be used to determine access to PIP. DWP plans show that 500,000 fewer disabled people will be eligible for support.

The DBC is concerned that many disabled people will be stressed and fearful of the new process – as well as mistrustful given the overarching policy aim of reducing expenditure. We are asking the assessment providers to sign up to ten pledges that will help alleviate concerns and could establish greater trust in the new system.

Hayley Jordan, of the MS Society and co-chair of the DBC policy group, says:

“PIP will be a lifeline for disabled people and it is essential that this difficult process is managed well. We urge contractors to sign up to [our proposed pledges](#) to demonstrate a commitment to making the process as fair as it can be. Failure will result in tragedy and devastate the lives of disabled people.”

It is essential to build trust in the new assessment. The similar process used to access Employment and Support Allowance (ESA, the benefit for disabled people out of work) was introduced in 2008 but continues to draw intense criticism due to the high rate of inaccurate decisions, successful appeal rate (40%) and waste of restricted resources. Appeals to ESA decisions cost over £26 million in 2010/11; the DBC is keen that this level of wasted public expenditure is avoided.

Tom Pollard, of Mind, and co-chair of the DBC policy group, says:

“It is essential that every penny reaches the disabled people who are supposed to be accessing support and doesn’t get wasted on repetitive bureaucracy or avoidable appeals. We welcome all contractors signing up to [our proposed pledges](#) – and DWP must ensure all contractors meet high standards and that disabled people’s anxieties and fears of losing support are not heightened by procedural problems caused by any contractor.”

DBC’s [“PIP assessment provider pledges”](#) are:

1. We will make sure that a full range of communications methods are available, that our staff are trained in how to use them, and that individuals only have to tell us once what their accessibility and/or communications requirements are.
2. We will proactively gather all relevant written evidence, and will only call claimants in for a face to face assessment when a decision cannot be reached on the basis of written evidence.
3. We will only reassess claimants when a change in circumstances is likely, to ensure that claimants are not reassessed at inappropriate frequencies.
4. We will ensure that the assessment venue is accessible and appropriate for a full range of disabled people, that claimants are informed of their right to a home visit and aware they can bring a friend, family member, or advocate to their assessment.
5. We will train our assessors to understand a wide range of impairments and conditions, and to recognise the impact of multiple and complex conditions. Where possible we will match claimants with assessors who have the most appropriate expertise.
6. We will hold assessors to account for their decisions, will have an accessible complaints procedure in place, and will seek claimant feedback to monitor performance.

7. Our assessors will conduct interviews in a sensitive and culturally appropriate manner, and will explore *how* individuals complete activities.

8. Our assessors will share written reports and any observational evidence they record with claimants, providing them with an opportunity to correct any inaccuracies as early as possible.

9. We will set up procedures to proactively gather feedback on the assessment process from disabled people and their representative organisations, and will be open with the findings from these.

10. Guidance for assessors will be regularly updated and developed using input from relevant experts, disabled people and their representative organisations.

The position of the preferred bidders regarding the DBC's "provider pledges" is not known.

7 Introducing PIP

The introduction of Personal Independence Payment will be in stages. New claims will start, in certain areas, from April 2013. Reassessment of existing DLA claimants is due to start from October 2013. This will be via "natural reassessment", or "managed reassessment."

Natural reassessment is where an existing DLA claimant enters the reassessment process due to reporting a change in their care or mobility needs which might affect their award (known as supersession cases) or where a fixed-term award comes to an end (known as renewal cases).

Managed reassessment occurs where the Department initiates the reassessment process. The intention is that people will be selected on a random basis, other than where they fall in to specific groups where a different timetable for reassessment may be required (an example might be people turning 65 during the reassessment period).

All existing DLA claimants will have been contacted about PIP by the spring of 2016.

The DWP's [A quick guide to Personal Independence Payment \(PIP\) for support organisations and advisers](#) (updated 25 September 2012) explains what will happen at each stage:

When is PIP being introduced?

February 2013

- DWP will send general information about PIP to all existing DLA claimants in their DLA uprating letters. DLA claimants don't need to take any action as a result of this letter.

April 2013

- **New claims** to PIP start for people living in Cheshire, Cumbria, Merseyside, North East England and North West England. When a DLA claim is received from this area, it will be treated as a claim to PIP instead.
- DLA new claims continue **in all other parts of the country** and for existing DLA claimants.

June 2013

- **New claims** to PIP will start for the remaining parts of the UK. There will be no new claims to DLA for people aged 16 – 64.

October 2013

- Reassessment to PIP starts for **existing DLA claimants**.
- DWP will write to remaining DLA claimants at some point before Spring 2016. The letter will let them know that their DLA is due to end and explain how they can make a claim to PIP. The first letters will be received from August 2013.
- **From now on** if an existing DLA claimant (aged 16–64 on 08 April 2013) reports a change in their condition, or their fixed term is due to expire they will be reassessed for PIP - unless they have already received a DLA renewal letter (which are sent well in advance of the review date).

Spring 2016

- All DLA claimants aged 16–64 will have been contacted about reassessment by this point.

More detailed information on the DWP's proposals for reassessing existing DLA claimants was given in part 5 of [DLA reform and Personal Independence Payment – completing the detailed design](#), published in March.

8 Next steps

The public consultation on the [PIP assessment criteria and thresholds](#) ended on 30 April and the separate consultation on [DLA reform and Personal Independence Payment – completing the detailed design](#) finished on 30 June. The Government's response to both consultations is expected sometime in the autumn. The final regulations on the PIP assessment and the detailed rules the new benefit are now expected to be laid before Parliament following the Chancellor's Autumn Statement, which is to be on 5 December. Other regulations – covering transitional arrangements and technical and consequential amendments – will follow later. All the regulations are due to come into force in April 2013.

As noted in part 6 above, Government is not planning any further consultations on the PIP assessment prior to the regulations being laid before Parliament.

There will be four sets of regulations, covering different aspects of PIP. Only one set of the regulations will be subject to the affirmative procedure. The following table gives details.³⁰

³⁰ From DWP, *Welfare Reform act 2012 - Regulations Timetable*, version 3 as of 18 October 2012

Regulations	Will cover	Affirmative procedure?	Expected date for laying before Parliament
Personal Independence Payment	Establish criteria for entitlement to PIP including new points-based assessment criteria and required period condition. Sets out other conditions including age exclusions, payability (hospitals, care homes and prisoners) and residence and presence.	Yes	Dec 2012 (after the Chancellor's Autumn Statement)
PIP Transitionals	Sets out specific rules around the claims process which will apply during the migration period from DLA to PIP	No	Feb/March 2013 - after the affirmative debates have taken place on PIP
PIP Consequentials	As above for UC - technical package that includes updating references in existing legislation.	No	
As above for UC - technical package that includes updating references in existing legislation.	Changes to DLA/AA to align with PIP in certain aspects i.e. the rules about residence and presence in GB.	No	

9 Further information

9.1 DWP sources

Detailed information on Personal Independence Payment can be found at the [DWP website](#), including the [policy briefing notes](#) and [consultation papers](#) cited in this note. [Information and briefings for benefits advisers](#) are also available.

DWP has also produced [Personal Independence Payment – frequently asked questions and myth buster](#), which covers FAQs received from disabled people and their representatives.

Some basic information on PIP is also available at [GOV.UK](#).

9.2 Library briefings

Detailed information on the Government's original proposals for DLA reform and on reactions from disability and welfare rights organisations is given in a Library standard note SN/SP/5869, [Disability Living Allowance reform](#)

Information on the PIP provisions in the *Welfare Reform Bill* as introduced in the House of Commons can be found in Library Research Paper 11/23, [Welfare Reform Bill: reform of disability benefits, Housing Benefit, and other measures](#).

Further information on debates relating to PIP during the parliamentary stages of the *Welfare Reform Bill* can be found in the following Library briefings:

Research Paper 11/48, [Welfare Reform Bill: Committee Stage Report](#)

Standard Note SN06034, [Welfare Reform Bill 2010-12: Commons Report Stage and Third Reading](#)

Standard Note SN06202, [Welfare Reform Bill 2010-12: amendments at the Lords Committee and Report stages](#)

9.3 Work and Pensions Committee

In February this year the Work and Pensions Committee published a report on [Government support towards the additional living costs of working-age disabled people](#) (HC 1493 2010-12, 19 February 2012) which provides a detailed analysis of the PIP and the proposed assessment.

The [Government's response to the Committee's report](#) (HC 105 2012-13) was published on 18 May.

9.4 Other

Disability Rights UK has produced a factsheet, [Personal Independence Payment \(PIP\)](#), which gives an outline of the benefit. It also details the latest draft assessment criteria.

The Child Poverty Action Group has also produced a [factsheet](#) which gives basic information on PIP.

The Disability Benefits Consortium website has information on PIP, including the [DBC's responses to the Government's consultations](#).

Various other organisations have produced briefings, responses and reports on PIP. Links to the websites of the main disability organisations can be found at the [DBC website](#).